

21 December 1955

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~~REF ID: A6512~~

MEMORANDUM FOR: Chief, International Organizations Division

SUBJECT: Equalization Allowances for IO Division Staff Agents

[redacted]  
25X1A6A

REFERENCE: Your Memorandum to this Office dated 30 November 1955,  
same subject

25X1A6A 1. When this Division established equalization allowances for [redacted] effective 10 October 1955, we verbally explained to a representative of your Division that we were utilizing the earliest effective date possible. Equalization allowances may only be granted at those posts where living costs on the local economy exceed living costs in Washington, D.C. (See paragraph 3a(2) of [redacted] "Special Allowances").

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25X1A6A 2. The normal procedure in computing equalization allowances is to utilize the local economy index prepared by the Department of State and published by the National Foreign Trade Council. Even as of the present date, we do not have a published index which shows living costs in [redacted] to be in excess of such costs in Washington, D.C. Since for several years living costs in [redacted] for both official and unofficial cover personnel have been below Washington, D.C., detailed price schedules have not been prepared.

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25X1A6A 3. Periodically, this Division has checked with the Department of State to determine what cost of living data were available for [redacted] and if the published index still reflected the true economy picture. We were assured by the Department of State, on each occasion, that the published indexes were still accurate until sometime late in October of 1955. We were then orally advised by the Department that although no new detailed data had been received from the field, it was becoming evident that living costs on the local economy were rising and that we could now consider local economy living costs in [redacted] to be five per cent (5%) higher than Washington. We were further advised that such a determination would be very adequate. Thereafter, we established the allowances in question, effective as of 10 October 1955.

4. On the basis of the above, we cannot agree that the equalization allowances for the Staff Agents in [redacted] should be effective to 1 July 1955.

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25X1A9A [redacted]

Chief, Contract Personnel Division